

Procure-to-Pay Capability Summary

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SUBJECT: WAWF Automated Closeout

Each year, the Department of Defense (DoD) has approximately 4 million contract actions eligible for closeout. Of these, 3.8 million are firm fixed price and do not exceed \$500,000. While the Mechanization of Contract Actions System (MOCAS) has automatically closed certain simple DCMA-administered contracts for decades, DPAP recognized the value in expanding this capability beyond contracts administered by the Defense Contract Management Agency (DCMA). In order to reduce labor-intensive contract closeout processes, DPAP set out to establish the appropriate policy, data standards, and IT infrastructure to expand performance of automated closeout across the Department.

POLICY: To facilitate automated contract closeout, DPAP collaborated with the Contract Closeout Working Group (CCWG) participants to clarify the acceptable circumstances under which contracts could be automatically closed. In September, 2015, DPAP codified the results of this analysis in DFARS PGI 204.804-3. At the same time, DPAP also clarified the acceptable data standards for transmitting these closeout notifications between systems.

DATA STANDARDS: DPAP identified and analyzed the American National Standards Institute (ANSI) X12 transaction data standard used to communicate closeout notices between systems. In collaboration with the Defense Logistics Management Standards Office (DLMSO), DPAP proposed and implemented updates to the 567C transaction set to carry the additional information generated when automatically closing out contracts.

IT INFRASTRUCTURE: To facilitate automated closeout, DPAP needed an enterprise tool capable of aggregating pertinent data, identifying eligible contracts based on this data, performing closeout, and routing the closeout notices to interested systems. Thorough analysis indicated that the Wide Area Workflow (WAWF) tool would best serve as the platform on which an enterprise tool would be created. The WAWF automated closeout module was subsequently designed and fielded by the CCWG and WAWF governance bodies. This tool now combines contract data (sent in a particularly data-rich format, called the "Procurement Data Standard") with the associated payment information from myInvoice to identify contracts that are physically complete. The tool then automatically closes those contracts that meet the criteria defined DFARS PGI 204.804-3.

Impact: WAWF automated closeout is helping to reduce closeout backlogs and alleviate administrative burdens on the procurement community. As this solution matures, DPAP anticipates that up to 3.8 million contracts may be closed annually, saving millions of labor hours and associated costs each year.

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